

weekly economic review

July 19, 2013

Consumer Price Index

Inflation holds steady in June

In June, the inflation rate in Alberta was unchanged from the last month at 2.3%. The rate was propped up by higher prices for vehicles, gasoline, rent and housing. Excluding food and energy, prices rose 1.6%, up from 1.1% in the previous month, indicating that underlying inflation is edging up.

Canada's inflation rate was up in June to 1.2%, due to rising prices for vehicles and gasoline. The rate used by the Bank of Canada to measure underlying inflation increased to 1.3%, below its target of 2.0%.

Resale Housing Market

Home prices and sales both rise

The average price for a resale home in Alberta was \$376,014 in June, up 4.0% year-over-year. This increase was largely due to a 5.2% price gain in Calgary. Sales of existing homes increased to 5,612, up 8.7% from the same month a year ago. The jump in sales, coupled with a decline in listings, pushed the sales-to-new listings ratio up to 0.64. The housing data in June, particularly listings, was distorted by the Southern Alberta floods, which makes it difficult to compare this data to other months.

Canadian sales increased 2.6% on a year-over-year basis in June after eleven straight months of declines. Average resale prices rose a solid 4.2% relative to June 2012.

Manufacturing Shipments

Manufacturing posts first gain in nine months

Shipments of manufacturing products in Alberta grew 1.5% in May, bolstered by strength in non-durable goods (3.2%). This marks the first month of growth since May 2012 for non-durable

goods. The gain was sparked by large gains in chemical manufacturing. Durable goods shipments fell 1.6% primarily due to declines in fabricated metal products and machinery manufacturing, though wood product manufacturing maintains its exceptional growth.

Canadian manufacturing shipments fell 3.2%, the third month of declines.

Job Vacancies

Alberta's job vacancies steady

Alberta's job vacancy rate averaged 2.5% between February and April 2013. This rate has been flat for the past four months, but has remained the second-highest among the provinces and above the national rate of 1.6%. This suggests that Alberta's labour market remains tighter than

the national labour market, but has not tightened further in the last four months. The vacancy data indicate that there were 2.2 unemployed people for every job opening in Alberta, much lower than the national average of 6.1.

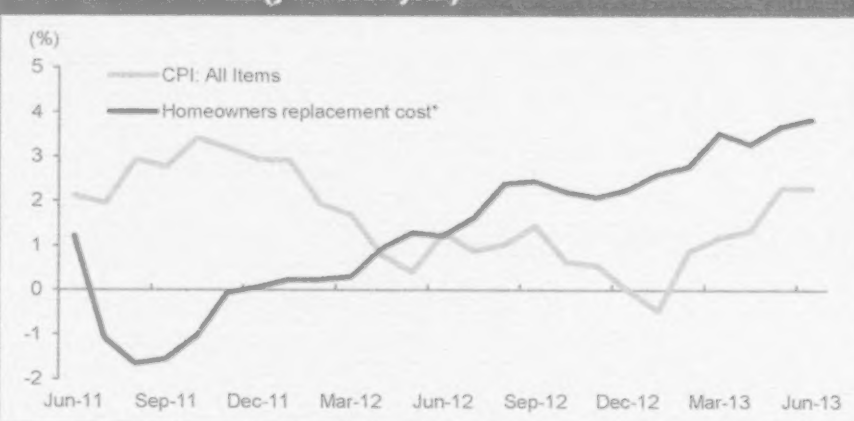
New Motor Vehicle Sales

Auto sales top \$1 billion for first time

In May, total monthly sales of new vehicles in Alberta were over \$1 billion for the first time ever. The number of new vehicles sold in May was 26,460, up 7.0% from the same month last year. Most of these sales were trucks (19,508), up 6.4% year-over-year.

At the national level, the number of vehicles sold increased on a year-over-year basis for the second straight month, rising 4.8%.

Alberta CPI Inflation (year-over-year)



Source: Statistics Canada

* Homeowners' replacement cost largely consists of housing prices and finance costs.

Closing Price	July 11, 2013	July 18, 2013	2013-14 Fiscal YTD
Canadian Dollar (USD/CAN)	96.26	96.19	97.32
WTI Oil (\$US/bbl)	104.91	108.04	95.84
NYMEX Natural Gas (\$US/MMBtu)	3.61	3.61	3.84

Alberta Economic Indicators

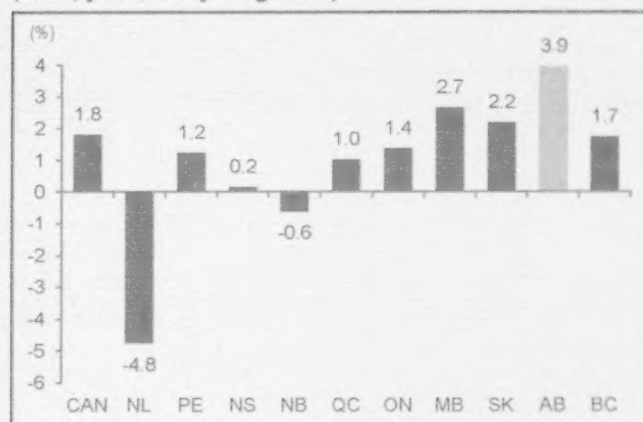
Population	2011	2012	2013YTD	Jan	Feb	Mar	Apr	May	June
Population (000's)	3,778	3,874	3,965	3,931	--	--	3,965	--	--
y/y % change	1.5	2.5	3.0	3.0	--	--	3.2	--	--
Net Interprovincial Migration ¹	8,443	28,170	38,886	11,533	--	--	13,438	--	--
Net International Migration ¹	16,703	37,990	30,779	6,296	--	--	13,674	--	--
Net Non-permanent Residents ¹	-7,604	9,721	9,762	-1,133	--	--	6,949	--	--
Labour Market									
Employment (000's), SA	2,094	2,150	2,184	2,175	2,179	2,168	2,183	2,201	2,201
y/y % change	3.8	2.7	2.1	1.9	2.5	1.7	1.9	2.3	2.6
Unemployment Rate (%), SA	5.5	4.6	4.7	4.5	4.5	4.8	4.4	4.8	5.0
Participation Rate (%), SA	73.7	73.4	72.9	72.9	72.9	72.6	72.5	73.3	73.1
Average Weekly Earnings (\$), SA	1,035.75	1,072.98	1,094.94	1,083.82	1,099.51	1,098.08	1,098.36	--	--
y/y % change	4.4	3.6	3.6	3.0	4.5	3.4	3.4	--	--
Price Indices									
NEW: Consumer Price Index (y/y % change)	2.4	1.1	1.2	0.5	0.9	1.2	1.3	2.3	2.4
Excluding food and energy	0.8	1.3	1.2	0.8	1.4	1.2	0.9	1.1	1.6
Non-Fres Building Costs Price Index ² (y/y % change)	3.4	3.8	1.4	--	--	1.4	--	--	--
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	4.1	5.2	4.4	--	--	--
Crops	18.7	6.5	9.3	8.7	9.8	9.3	--	--	--
Livestock	16.9	6.2	0.2	0.2	1.1	-0.1	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	37.3	31.0	35.4	35.1	40.4	43.1	38.7
y/y % change	-5.1	29.9	11.5	18.4	10.9	-1.0	1.8	26.5	14.6
New Housing Price Index ³ (y/y % change)	0.4	1.3	2.4	2.2	2.6	2.4	2.5	2.7	--
Edmonton	0.9	0.9	0.6	0.9	1.0	0.6	0.4	0.2	--
Calgary	-0.1	1.7	4.4	3.3	4.3	4.3	4.7	5.3	--
NEW: M/S Average Resale Prices (\$ 000's)	362.7	362.0	375.8	367.6	380.1	380.4	374.6	376.2	376.0
y/y % change	0.5	2.6	4.6	6.0	4.5	5.9	3.5	3.0	4.0
Edmonton (\$ 000's)	324.2	332.7	343.5	337.6	344.0	348.9	345.5	340.2	344.7
y/y % change	-0.7	2.6	3.2	1.8	2.8	5.4	2.8	2.5	3.8
Calgary (\$ 000's)	401.9	410.8	429.2	422.5	436.7	433.9	420.4	427.2	434.3
y/y % change	1.1	2.2	6.1	12.4	5.7	6.3	3.8	3.6	5.2
Retail Sales, SA (y/y % change)	6.8	6.9	5.9	4.5	7.5	5.1	6.6	--	--
NEW: New Motor Vehicle Sales (y/y % change)	9.6	10.5	7.4	3.6	6.5	-0.1	19.7	7.0	--
Consumer Bankruptcies	7029	5759	1751	446	412	429	464	--	--
y/y % change	13.8	-18.1	-18.2	-13.7	-22.7	-24.5	-11.2	--	--
Business Sector									
Rigs Drilling	286	250	303	368	422	306	115	88	115
y/y % change	10.4	-12.6	-9.5	8.2	-8.1	-9.4	-18.2	0.0	-17.3
Goods Exports, customs based (y/y % change)	18.4	1.8	3.0	1.3	2.0	6.0	1.0	11.7	--
Energy	19.2	2.1	3.0	1.0	3.9	1.4	0.4	12.3	--
Farm, Fishing and Intermediate Food	27.2	20.6	3.1	3.8	6.7	5.4	6.4	7.1	--
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	--	--	9.3	--	--	--
NEW: Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-2.0	-3.5	-1.1	-3.3	-3.4	1.5	--
NEW: Wholesale Trade, SA (y/y % change)	14.7	10.9	2.3	3.1	6.4	2.7	-0.3	0.0	--
Building Permits, SA (y/y % change)	11.8	14.8	17.8	24.7	19.9	38.6	11.4	-0.8	--
Residential	5.2	18.2	14.4	21.2	7.8	14.6	18.4	11.2	--
Non-residential	20.9	10.7	22.0	30.6	36.1	72.1	5.1	-14.9	--
Business Bankruptcies	264	230	51	10	14	12	15	--	--
y/y % change	-30.2	-12.9	-39.3	-50.0	-44.0	-36.8	-25.0	--	--

¹ Quarterly; annual numbers are presented on a census year basis (July 1 - June 30)
² Quarterly; average of Calgary and Edmonton
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YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

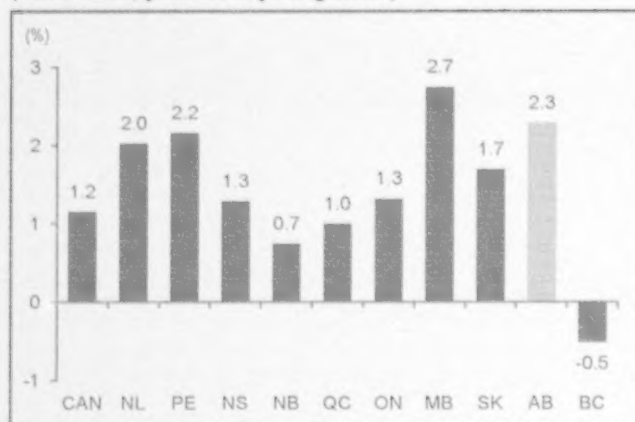
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), M/S Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

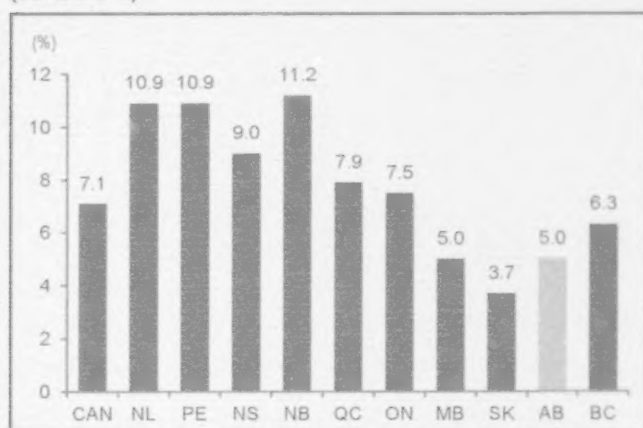
Real GDP by Industry
(2012, year-over-year growth)



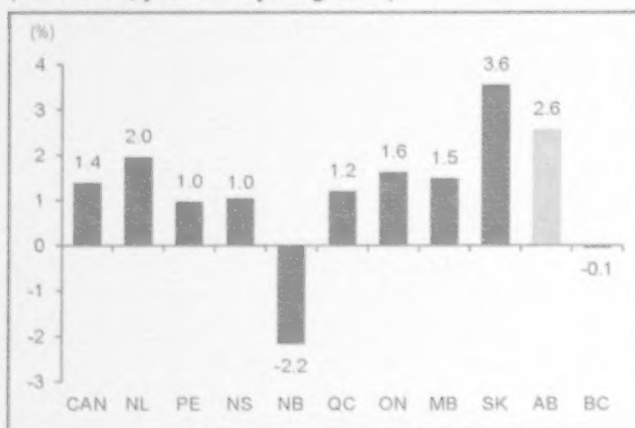
CPI Inflation
(June 2013, year-over-year growth)



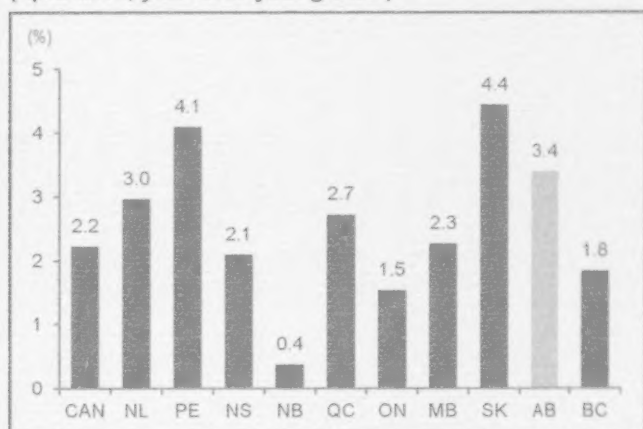
Unemployment Rate
(June 2013)



Employment
(June 2013, year-over-year growth)



Average Weekly Earnings
(April 2013, year-over-year growth)



Housing Starts
(June 2013, SAAR, year-over-year growth)

